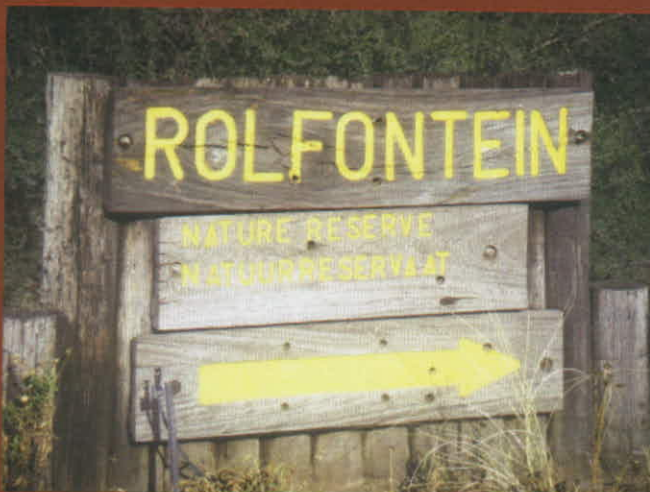
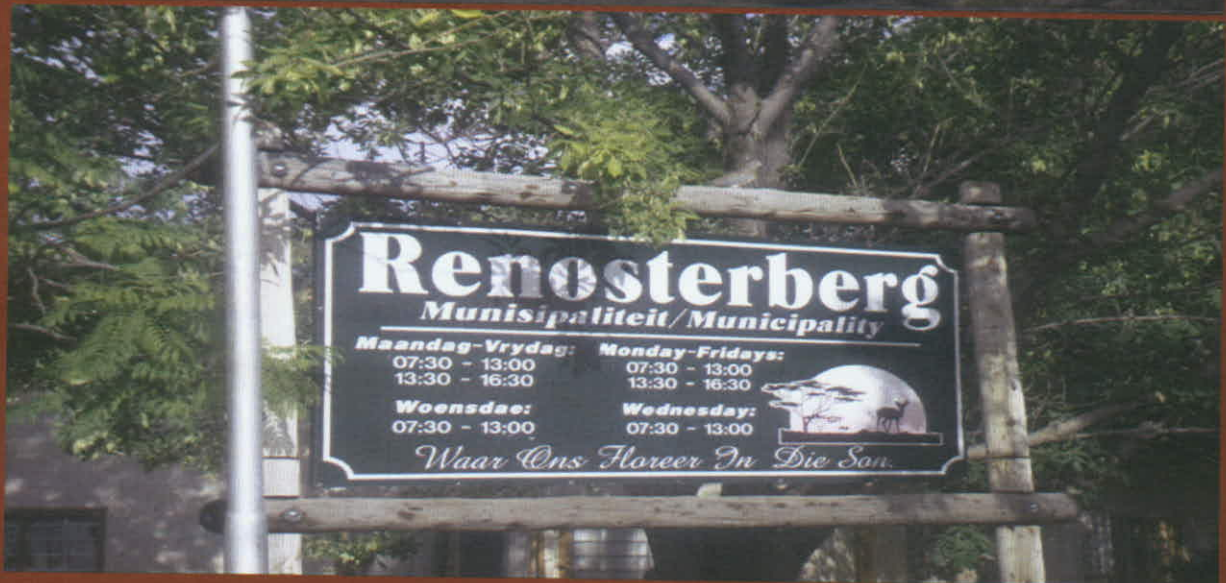
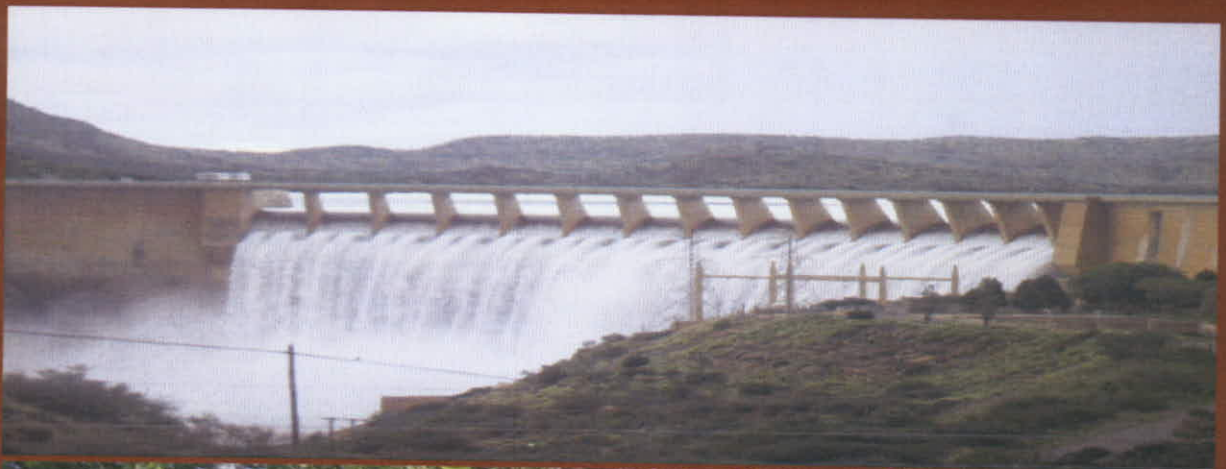


RENOSTERBERG MUNICIPALITY



ANNUAL REPORT 2008/2009



Table of Contents

CHAPTER 1

1.1 Foreword by the Mayor	2
1.2 Overview by the Municipal Manager	4

CHAPTER 2

Introduction and Overview.....	6
--------------------------------	---

CHAPTER 3

Good Governance and Public Participation.....	9
---	---

CHAPTER 4

Municipal Transformation and Organisational Development.....	12
--	----

CHAPTER 5

Service Delivery and Infrastructural Development.....	22
---	----

CHAPTER 6

Financial Viability	29
---------------------------	----

CHAPTER 1

1.1 FOREWORD BY THE MAYOR

I present this report to you, the people of Renosterberg Municipality, with great excitement at the opportunity I have to occupy the highest office in the Municipal area.

The position I have in the Municipal Area goes with a lot of responsibilities as I indicated in our previous annual report, of which myself and my fellow councillors should ensure that they are fulfilled. It is my responsibility to lead this council in completing the mandate accorded to us by the people of Renosterberg Local Municipality in the 2006 Local elections and to lay the foundation for the post 2011 election administration to hit the ground running. We present this report at a very crucial and important time coming from our fourth democratic elections, with a new administration at National level and in the Province. It comes at a time when our country and the whole world is struggling to recover from global economic meltdown, which posed a serious threat to the economy of the country in general and that of our municipality in particular in terms of job losses and the quality of life of our people. This was a challenge that all of us in the municipality did not underestimate because we knew it could have resulted in a very negative state of affairs for our municipality, because when people start losing their jobs the municipality also becomes unstable financially. Hence you would find out that this was one year in which we encountered a lot of difficulties in terms of implementing all that was intended to be implemented, but because of the type of administration personnel we have invested in we can still manage to run the municipality smoothly.

Not that the economic meltdown did not affect us, indeed we were also affected by the economic recession but we could manage to operate until to date. A lot of people lost their jobs and lesser jobs were created even in our municipal area, and this has lead to people not paying for their municipal services. We are sitting with huge debts from the different state departments and from the larger community of people who do not pay for their services, yet the Municipality did not fail to deliver these services to the people. The non payment of services has lead to even more challenges as the council could not be in the position to implement all the activities it plan to implement during this financial year, because of a poor cash flow resulting from this situation.

Despite all these challenges we can still take pride in reporting that even this year, as though as it was much has been achieved and further progress remains our highest priority. We can

therefore reflect on a year in which a firm foundation for new progress has been laid, in anticipation of the next financial year.

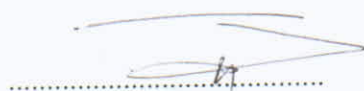
In our previous annual report we reported that as this council we managed to eradicate all bucket toilets in all formal settlements, we built more than 300 houses, we render free basic services like electricity, water and refuse removal to 1076 households, and 6kl of free water to all the residents of Renosterberg Municipality. We managed to embark on several other projects or programmes that reflected on that report, programmes like sport; construction of play parks for kids; renovation of community halls and the high mast lights in Phillipstown. This year we maintained that record when it comes to service delivery matters and intend to improve on them in the future.

We further admitted that we are sitting with the challenges of unemployed, housing and access to free basic services like electricity, water and sanitation, faulty accounts, refuse removal, shortage of water, un-accessible roads and the townships that are untidy. These are the areas we needed to improve on, and we can confidently report to you that there is a significant improvement in most of these areas.

We would further like to appeal to the different state departments to join us in trying to bring the services to the people, and to better the lives of our people. It is the responsibility of all to render services to the community and to ensure better life for all, to fight poverty and unemployment. Hundreds of people are living in deep poverty and thousands are still unemployed, and if we can all come to the party the future of the people of Renosterberg Municipality is guaranteed.

Allow me, in this context to urge and call upon all the people of the Renosterberg Municipality to assist us in improving the services we rendering to the community by paying for the services they receive, and also to thank those who contributed to the sustainability of this municipality by paying their services.

Furthermore, I would like to take this opportunity to thank all Councillors and officials as well as the members of the community for all their support and contributions during the past financial year, and for their commitment and hard work in making this journey a success.
Thank You



A.Z. Jack (The Mayor)

1.2 OVERVIEW BY THE MUNICIPAL MANAGER

Introduction

The 2008/2009 period was characterised by strengthening and consolidating all the all initiatives that were started during 2007/2008. The following areas were the highlights of the period:-

Organisational Structure

The Top Senior Management structure was strengthened with the appointment of a Technical Manager which brought about needed focus on the core responsibility of the municipality which is about providing basic services to its people. This left the municipality with only one vacant post at Senior Management , that of the Corporate Service Manager.

Performance Management

The financial year under review saw the partial implementation of the Performance Management System. Performance contracts were signed but evaluation was not done due to vacancies at Top Management. The Municipality had adopted the Service Delivery Budget Implementation Plan(SBIP)

Performance contracts were signed by both the Municipal manager and the Chief Financial Officer.

Vanderkloof Holiday Resort

The R300 000 funding that the Municipality received from the Provincial Department of tourism saw the revamping of the Resort taking shape. The Resort remain a potential source of generating income for the municipality. Renovations were done increased the number of visitors to the area. Much still remain to be done on the management side to turn the situation around in making the resort a profit making institution.

Audit Committee

One of the highlights of the financial year was the establishment of the Audit Committee at the Municipality. The Audit Committee has done a tremendous work in ensuring that the municipality has control measures in place in dealing with its

finances as well as ensuring implementation of recommendations from the Audit Report of 2007/2008.

Service Delivery matters

The municipality has managed to address critical matters regarding its fleet . The new tipper truck as well as the JCB front loader have assisted in improving service that to the people of the municipality.

Challenges facing the municipality

- **The new financial system**

The implementation of the new financial system at the municipality has caused a lot of problems ranging from inaccurate accounts, delayed issuing of accounts, delayed payment of salaries as well as affecting the start of the audit process. This remains one of the critical areas of focus as these problems damaged the relationship between the municipality and its clients.

- **Capital projects and unemployment**

Very few capital projects were implemented at the municipality due to slow expenditure or non- expenditure on MIG projects. The few projects implemented at the municipality did not really tackle unemployment which is very high in the municipal area. Efforts have to be done to register as much projects as possible and ensuring expenditure on grants is completed in the financial year that is granted to avoid roll –overs

Conclusion

I would like to thank the support that we received from the Mayor and Councillors and appreciate the dedication of most of the staff of the municipality in rendering quality service to the people. Our most important clients community members who have been giving us support

Thank you



MZAMO MTUBU
MUNICIPAL MANAGER

CHAPTER 2

INTRODUCTION AND OVERVIEW

In compliance with Section 46 of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000) (Systems Act) and Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)(MFMA) a municipality must prepare an annual report for each financial year.

This document will provide an overview of the progress made in realising Renosterberg Municipality 's strategic objectives, the people who drove our efforts and the unique challenges and opportunities we faced during the financial year July 2008 – June 2009.

2.1 Establishment Imperatives

Renosterberg Municipality is a vast area comprising half a million hectares (554 502.514 Ha). Renosterberg Municipality is located on the banks of the Orange River in the Pixley Ka Seme District Municipality of the Northern Cape.

The largest town is Petrusville, followed by Philipstown and Vanderkloof. Vanderkloof is a resort town on the Vanderkloof dam on the Orange River. Many households live on farms which are mainly commercial sheep and game farms.

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2.2 Demographic Profile

Renosterberg Municipal Area has a population of approximately 9 069 persons (StatsSA 2001) and 9 836 in 2006 (DWAF), the majority of which reside in the Petrusville area. The average household size in the Pixley Ka Seme District area is 4.52 persons per household (Pixley Ka Seme IDP, 2007). The average household size in Renosterberg is 5.3 persons per household.

Within the whole municipality there is a recorded negative growth of population with an estimated population growth of -0.29% by 2015. The biggest contributing factor to the negative growth being HIV/AIDS and migration of people out of the district. Within the municipality, migration is mainly from most rural area to the urban areas such as Petrusville.

2.3 Municipality Population

TOWN	POPULATIO N	HOUSEHOLDS	HOUSEHOLDS %	POPULATION %
Petrusville	3717	741	40%	32.80%
Phillipstown	3300	509	36.39	22.53%
Vanderkloof	1200	243	13.23%	10.76%
Rural	852	766	9.39%	33.91%
TOTAL	9069	2259	100%	100%

(Municipal Demarcation Board:2006)

2.4 Employment Information

ECONOMIC STATUS	NUMBERS
Employed	1 839
Unemployed	1 761
Scholar or Student	593
Home –maker House Wife	293
Pensioner or retired person /too old work	386
Unable to work due to illness or disability	224
Seasonal worker not working presently	26
Does not choose to work	205
Could not find work	217
Not applicable (younger than 15 or older than 65)	3 525
TOTAL	9069

(StatsSA, 2001)

2.5 Household and individual income

In the Northern Cape 60% of households and 82% of individuals earn less than R18 000 per annum. This is also the figure according to which individuals qualify for the largest subsidies. The figures for the Renosterberg Municipality are as follows

Petrusville- 79% households and 96% individuals

Phillipstown 57% households and 94% individuals

Vanderkloof 48% households and 90% individuals

The largest percentage of households with no income is 12% (86) in Phillipstown followed by 10% (74) in Petrusville .(DWAF,2007)

CHAPTER 3

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

3.1 Timeous response on reported Service Delivery Matters

The operational staff responds to reported service delivery issues, these matters are responded to even after hours. The capacity to effectively respond to service delivery matters still leaves much to be desired, this to some extent might be as a result of shortage of staff and lack of capacity/skills but the challenge is being addressed by employing more staff and by giving relevant training to the staff.

Service delivery matters are reported to the management, but the implementation of these matters is very slow from the side of the general workers. This matter is a matter of urgent intervention.

3.2 Public Participation, Accountability and Transparency

The public fully participate in the running of the Municipality by taking part in all the processes of the Municipality, like the budget processes and policy formulation processes. All the budget processes were followed and the communities were involved in the processes, and most policies are in place of which the community members were involved in the process of formulating them. Public participation is encouraged in the form of public meetings and imbizo's, and people are also encouraged to visit the office to table their views on issues concerned.

The council calls for Council Imbizos'/Council meets the people once every quarter, in which the council collectively accounts to the constituencies. Fifteen Council Imbizos' were held during the period from July 2008 to June 2009, the Imbizos' were held at the following dates in the different towns:

- 08 – 10 July 2008
- 15 – 17 September 2008
- 09 -11 December 2008
- 17 – 19 March 2009
- 09 – 11 June 2009

Three IDP meetings were held on the 10 – 12 March 2009 and three Budget meetings on the 26 – 27 May 2009.

People have access to the policies and by-laws of the Municipality and any other documents that are for public scrutiny. Vacant posts are advertised on local and national papers, and are also placed on public places with clearly stipulated criteria.

3.3 Ward Committee System

The municipal area consists of four wards each with a ward committee consisting of nine committee members plus the ward councillor, and the ward committee members are not receiving any stipends. The ward councillor is the chairperson of the ward committee of the ward where he/she resides.

The ward committee meetings sit twice in a quarter and whenever there is a need for the committee to convene in between the meetings. The relationship between the councillors and the ward committee members is good but not all ward committee members are committed to the work of the ward committee. Ward two and three have joint meetings due to the demarcation of the two wards and the ill health of the ward councillor of ward three. The ward committee meetings do not sit as required because of the poor attendance of members in all wards.

3.4 Councillors and Portfolio Committees

The council consists of four wards and seven councillors, which are as follow:

- Cllr. M. Hoffman – ward councillor in ward one
- Cllr. A.Z. Jack – ward councillor in ward two and is also the Mayor
- Cllr. H. Lakay – ward councillor in ward three
- Cllr. G. Moolman – ward councillor in ward four
- Cllr. A.Z. Kwinana (PR councillor of the ANC)
- Cllr. H. Booysen (PR councillor of the DA)
- Cllr. H. Hermanus (PR councillor of the ID)

The following portfolio committees existed for the financial year starting in July 2008 to June 2009:

- **Finance Committee:** Cllr. A.Z. Jack (chairman)
Cllr. A.Z. Kwinana
Cllr. G. Moolman

- **Infrastructure committee:** Cllr. A.Z. Kwinana (chairman)
Cllr. M. Hoffman
Cllr. H. Booysen
- **Human Resource/Cooperate service:** Cllr. M. Hoffman (chairman)
Cllr. A.Z. Kwinana
Cllr. H. Hermanus

3.5 Relationship between Councillors and CDWS

The relationship between the councillors is very sound and there is cooperation between the councillors when it comes to council matters. The Mayor and the Chief Whip of the council are in constant contact with each other and assist each other with council matters, not excluding other councillors in the process.

The relationship between the ward councillors and the CDWS is good but can still be improved. The CDWS report to the office of the Mayor, but they also report direct to the ward councillors in most cases. They submit weekly and monthly reports, which are tabled in the meetings between the Mayor and the Municipal Manager who will take them up with the relevant departments.

3.6 Council Meetings

The council held five ordinary council meetings and four special council meetings on the following dates:

- Ordinary Council meetings: 26 August 2008
10 October 2008
09 December 2008
27 February 2009
29 May 2009
- Special Council meetings: 09 September 2008
14 October 2008
20 January 2009
26 March 2009

3.7 Mayoral Programmes

The Mayoral programmes included the following programmes for the year:

- HIV/AIDS Awareness
- Mayors Cup (Annual Road) (Inflation of Spoke)
- Youth Day

CHAPTER 4

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

4.1 Organizational Design

The organization was restructured in order to align the macro structure of the municipality with the five strategic priorities for local government for its term of office (2006 – 2011) in the following way:

- Municipal Transformation, Institutional Development and Good Governance
- Basic Service Delivery and Public Participation
- Financial Viability and Financial Management
- Local Economic Development
- Infrastructure for Service Delivery

4.2 Employment Equity

During the restructuring process the implantation of the EE principles was limited as result of various collective agreements (i.e. Placement). In spite of this, the municipality has made great strides in improving its employee profile at all levels in order to be more representative of the community it serves. Training of designated employees is also creating opportunities to acquire the necessary skills to enable them to function as key role players in the municipality. The top management of the Municipality is not fully compliant with employment equity standards, consisting of the Municipal Manager, Chief Financial Officer, Senior Manager – Planning and Development and still one senior manager's position is vacant. It exists of three ethnic black persons. Due to the placement process persons are over represented in the rest of the management and this will be addressed in vacancies, subject to competency of applicants. In this paragraph top management refers to the Municipal Manager and senior and middle managers to rest of the management cadre.

No EE policy is in place but cognizance of the demographics of the population is taken into account during the recruitment and selection processes.

4.3 Skills Development

Renosterberg Municipality endorses the need to combine skills challenges beyond legislative compliance by budgeting more than the 1% prescribed and also takes on the broader skills demands of the Integrated Development Plan (IDP) and economic development.

When compiling the Skills Plan no cognizance is taken of the essential need to link the skills requirements to the Municipality's IDP as well as its strategic priorities and its service delivery focus areas.

4.4 Reflections on the IDP

The IDP for the next five year cycle was approved and implemented by Council. The IDP for the Municipality is seen as the single, inclusive and strategic plan for the municipality. The IDP was prepared in line with the set timeframes approved by Council. It was submitted to Council for approval through an IDP rep forum consisted of all councilors, sector departments and ward committee members. *The senior officials are part of*

4.5 Performance Management

The Service Delivery Budget Implementation Plan (SDBIP) is being used as a performance management, implementation and monitoring tool that will assist and guide the Mayor, Councilors, Municipal Manager, Senior Managers and the community. The plan serves as the basis of the performance assessments of the Municipal Manager and directors. It also forms the basis for the monthly, quarterly, mid-year and the annual assessment report.

The SDBIP provides in-year information such as quarterly service delivery and monthly budget targets and links each service delivery output to the budget of the municipality. It was the first SDBIP for this financial year. Performance contracts were signed by the Municipal Manager and Chief Financial Officer. No formal evaluation was done as there was only one Senior Manager reporting to the Municipal Manager the CFO who was also responsible for Corporate Services.

4.6 Human Resource and Organisational Design

The Human Resources component plays a supportive administrative function to furnish the Office of the Municipal Manager and the different directorates with accurate and comprehensive information.

The Official for Human Resources did get assistance from the Personnel Officer, but was still not sufficient, due to the organizational structure and was responsible for the following:

- Personnel Administration
- Recruitment and Selection
- Employment Equity
- Training
- Organizational Development (Job Descriptions for permanent approved positions on the Organizational Structure)
- Labour Relations including

Staff is governed in terms of various legislative enactments e.g. the Labour Relations Act, (Act 66 of 1995) the Basic Conditions of Employment Act, (Act 55 of 1998) the Systems Act (Act 32 of 2000) as well as various collective agreements concluded between the recognized employer and employee parties.

All negotiations between the parties are conducted under the auspices of the South African Local Government Bargaining Council (SALGBC) the recognized sector institution for Local Government in South Africa. The Employer is represented by the South African Local Government Association (SALGA) and the employees by either IMATU or SAMWU, the recognized trade unions in this sector.

The following are some of the key outcomes in respect of this area:

4.7 Training and Development

Renosterberg Municipality endorse the need to combine skills challenges beyond legislative compliance by budgeting more than the 1% prescribe and also takes on the broader skills demands of strategic objectives written into the Integrated Development Plan (IDP) and department objectives of the Service Delivery and the Budget Implemented Plan (SDBIP). It was the first time that the SDBIP was in place.

The Renosterberg Municipality, like all other local authorities, must submit a workplace Skills Plan to LGSETA in terms of the Skills Development Act, (Act 97 of 1998) and related legislation.

It is the role and the function of the Skills Development Facilitator to gather, facilitate and analyze information in relation to the workplace Skills Plans which will meet the needs of the organization, individual learners, the sector and national skills priorities. In compiling the Skill

Plan for 2008/2009 no cognizance was taken of the essential need to link the skills requirements to the Municipality's IDP as well as its strategic priorities and its service delivery focus areas.

As from 2009 the focus of training will shift to entering employees for learnerships. These learnerships are occupationally based learning pathways which will result in employees receiving certificates for accredited training. Learnerships are designed to meet the needs of Municipalities at all levels. Due to the structure combination of theory and workplace experience the learners are operational and employable after the learnership training. Moreover, Learnerships are a tool for sound staff development. It will help develop a competent workforce at the middle and upper management levels.

At present we're in negotiation that 45 lower level employees receiving Adult Basic Education training that will eventually capacitate them to enter learnerships on NQF level 4. The design of ABET programmes are changed to workforce relevance.

The LGSETA submitted all the training needs to the Municipal Training Institute to facilitate the program of training in Municipalities. The Municipal Training Institute (MTI) on their turn provided municipalities with training schedules to identify people to undergo trainings. Most of the trainings provided during this period were not relevant to our municipality.

The following trainings were attended during this period:

- a) Project Management – Attended by three (3) employees.
- b) Records Management – Attended by one (1) employee.

4.8 Health and Safety Compliance

No Establishment.

4.9 Labour Relations: Collective Bargaining / Disciplinary Code

Parties to the (SALGA, IMATU and SAMWU) concluded an Organizational Right Agreement in 2003. This was done to create an environment conducive to sound industrial relations in local government in South Africa.

The following matters are some of those which are subject to collective bargaining at national level only:

- Remuneration
- Medical Aid

- Retirement funds
- Hours of work
- Leave

4.10 Local Labour Forum

In terms of the Organizational Rights Agreement a Local labour Forum must be established to discuss labour matters of a local nature. During 2008 the Renosterberg LLF resumed its monthly meetings. The position of chairperson and secretary rotates annually between the two parties for the employer and employees respectively. There's a sound relationship between the two components (The employer and two unions – SAMWU and IMATU) and all resolutions were reached by consensus. Meetings were held on a quarterly basis.

Structures are in place to promote uniformity and consistency for managing discipline and grievances.

4.11 Organisational Restructuring and Recruitment

Ongoing recruitment and selection process have been followed since no restructuring have took place. No opportunity were given to internal staff in order to provide them with promotional opportunities based on their qualifications and /or experience in respect of acquired learning , as well as the fact that many of them already performed the function for a long time as well as the appointment of who were in councils duty for such a long period. Appointment during this period was as follows:

March 2009: 1) Accountant Budget (Permanent)

April 2009: 2) Senior Manager planning & Development (Fixed Term Contract)

During this process it became apparent that certain scarce skills are in short supply by it internal or external. Examples of this area: electricians, town planners, financial Management and general technical skills, i.e. water and sewerage, cleansing and roads. In some cases external recruitments were undertaken at great cost to the municipality in order to ensure that it could maintain delivery. The shortage of certain skills in the marketplace was inhibiting factor.

Restructuring caused the organogram to be changed from time to time. By its nature and organization as diverse as a Municipality has to constantly review its structure in order to ensure that it meets its service delivery objectives. Any changes to the organizational structure will be managed within the confines of the prevailing labour dispensation.

S57 SENIOR MANAGER:

INFRASTRUCTURE &

PLANNING: - Ms.N.P.Mqokozo

S57 SENIOR CORPORATE

MANAGER: - Vacant

S57 SENIOR MANAGER

FINANCE: - Mrs.N.P.Mvandaba

4.12 Employment Equity (EE)

During the restructuring process the implementation of EE principles was limited as a result of various collectives' agreements (i.e. Placement) In spite of this municipality.

The top management of the Municipality is not fully compliant with employment equity standards, Due to the placements process African persons are over represented in the rest of the senior management and this will be addressed when vacancies occur, subject to the competency of applicants.

No EE policy is in place but cognizance of the demographics of the population is taken into account during the recruitment and selection processes.

4.13 Workforce Profile

4.13.1 Occupational Categories

Total number of employees (including employees with disabilities) in each of the following occupational categories: Note: A=Africans, C=Coloured, I=Indians and W=White

Occupational Categories	Male			Female				White Male	Foreign Nationals		Totals
	A	C	I	A	C	I	W	W	Male	Female	
Legislators, senior officials and managers	2	2	-	3	2	-	1	-	-	-	10
Professionals	-	-	-	-	-	-	-	-	-	-	-
Technicians and associate professionals		2	-	-	-	-	-	1	-	-	3
Clerks	2	9	-	7	4	-	4	-	-	-	26
Service and sales	-	-	-	-	-	-	-	-	-	-	-
Skills agricultural and fishery workers	-	-	-	-	-	-	-	-	-	-	-
Craft and related trade workers	-	-	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	2	4	-	-	-	-	-	-	-	-	6
Elementary occupation	3	24	-	-	-	-	-	-	-	-	27
Total Permanent	9	41	-	10	6	-	5	1	-	-	72
None-Permanent	9	33	-	-	8	-	1	1	-	-	52
GRANT TOTAL	18	74	-	10	14	-	6	2	-	-	124

Occupational Categories	Male			Female				White Male	Foreign Nationals		Total
	A	C	I	A	C	I	W		Male	Female	
Top Management	1			2							3
Profesionals											
Technicians and associates professionals		2						1			3
Clerks	2	9		7	4		4				26
Service and sales											
Skills agricultural and fishery workers											
Plant and machine operators and assemblers	2	4									6
Elementary occupations	3	24									27
TOTAL PERMANENT	8	39		9	4		4	1			65
None-Permanent	9	33			8	-	1	1		1	52
GRANT TOTAL	17	72		9	12		5	2			117

4.14 Community Services

The staff component consists of seven employees in the following manner:

1. Petrusville Library: - Two Employees (a) Fulltime Librarian, funded by the municipality.
(b) Part-time Assistant Librarian, funded by the Department Sports, Arts and Culture.
2. Frans Jooste Library:- Three Employees (a) Fulltime Librarian, funded by the Municipality
(b) Part-time Assistant Librarian, funded by the Department.
(c) Part-time Cleaner, funded by the Department.
2. Vanderkloof Library:- Two Employees (a) Fulltime Assistant Librarian, funded by the Department of Sports, Arts and Culture.
(b) Part-time Assistant Librarian, funded by the Municipality.

The total grant received from the Department was R 257,000-00 for the financial financial year. The Budget Breakdown is as follows:

- (1) Training – R 41,250-00
- (2) Salaries – R 139,713-00
- (3) Administration – R 37,500
- (4) Maintenance – R 38,537-00

The total membership for this period was 1070

The circulation of library material for this period counted to 78,603

4.15. Resignations

None

4.16 Retirements, Terminations and Death

No retirements and terminations

Only One employee, late Mr. Salmon Pietersen passed away in September 2008

4.17 Disciplinary Cases

There was only one disciplinary case for this financial year. Alleged fraud case which was finalized in favour of the municipality.

CHAPTER 5

SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT

5.1 Water Services

5.1.1 Upgrading of the Watermain between Vanderkloof and Petrusville

The project entails the construction of a portable water supply pipeline from Vanderkloof to Petrusville. This project is done in phases of which this year is phase 2 and phase 3 respectively. These phases continue from phase 1 and its construction of 8km pipeline and DWAF is the funder. It was agreed however to extend phase 3 as to accommodate the upgrading of the WTW(Water Treatment Works) in Vanderkloof with the vat money from this project which will be implemented on completion of the initial phase3. Eurecon Consulting Engineers (then Ninham Shand) are still the consultants for this project as well as In-Situ Pipelines (Pty) Ltd as contractors. Beneficiaries are still the community of Petrusville and few farmers along the pipeline route.

The works consist of trench excavation, preparation of bedding, laying of pipes including welding and wrapping of joints, placing and compaction of blanket section, backfilling of trenches, construction of air valve and scour valve chambers, stormwater protection off- finishing and re-instatement of fences.

When Phase 2 was complete, phase3 started immediately and the pipeline was fully commissioned at the end of July 09 and it has eradicated the shortage of water in Petrusville as the pipe itself has a storage of 3MI. The upgrading of the WTW rolled to the next financial year because of delays in the manufacturing of the steel pipe.

Allocated funding:

Phase 2(Department of Water Affairs): R15 000 000.00

Phase 3(Department of Water Affairs): R7 000 000.00

14% Vat(Renosterberg Municipality): R3 000 000.00

Vat money to be used for the upgrading of the Water Treatment Works in Vanderkloof.

5.1.2 Water Reticulation

The water network in Vanderkloof needs special attention as it needs to be totally replaced. The municipality is spending a lot of money in Operation & Maintenance of this network of which sometimes includes bypasses. Petrusville and Phillipstown's network is in a good condition but reasonable maintenance is required. There were problems though with the supply of water especially with the highline household in Petrusville as the level of the houses is the same as that of the reservoir causing small or no pressure at all in the network.

5.1.3 Bulk Infrastructure

Six boreholes were cleaned and tested in Petrusville and they are operational.

Clean water reservoirs in other town are in good condition except the Groenpunt reservoirs in Phillipstown which needs urgent attention as they are leaking.

5.1.4 Drinking Water Quality

Water samples are taken each month to monitor the quality of our drinking water in all three towns. Aquavan was appointed to render these services and the report is received and captured on eWQMS. The water quality according to the report provided by Aquavan is suitable for drinking but improvements should be considered as the municipality still gets low score for Blue Drop Certification. No instances of sub-standard water were found as the water complies with SANS 241.

5.1.6 Backlog

Water Backlogs				
	2001	2008	Planned	Remain
Ward 1	8	102	102	-
2	100	176	176	-
3	9	48	48	-
4	83	44	44	-
	200	370	370	-

5.2 Sanitation

Petrusville and Phillipstown have oxidation ponds which are in good condition except that Petrusville's ponds are operating on or more than capacity and they have to be monitored closely and the pump station in Phillipstown. Phillipstown oxidation ponds are not fenced and they are emposing danger to the public. Vanderkloof and Keurtjieskloof have bio-filtration plant whereby the plant is in a very poor condition due to ageing and poor to no maintenance of the plant. The sewer pipeline from Keurtjiekloof to Vanderkloof is also deteriorating and that is informed by several leaks in the steel pipe.

5.2.1 Backlog

2001	2008	Planned	Remain
330	406	406	-
100	169	169	-
50	161	161	-
326	275	275	-
2,807	3,019	1,011	-

5.2. 2.Roads

An EPWP project in Phillipstown for upgrading of dirt roads to tarred roads with total length of 3000m with a total cost R4.2m has been implemented. All these streets will be surfaced by slurry bound macadam with concrete edge beams on the sides. The project has been implemented according to EPWP guidelines. The estimated completion date of the project is end of August 2009. Not much has been done to the existing roads infrastructure as a result of shortage of plant(grader, tipper truck etc) and manpower. Attention is needed especially on gravel roads as they are in a very poor condition especially after rains.

5.2.3 Roads backlogs

Roads to be upgraded to tarred/paved roads in:

- 5 Petrusville - 22.45km
- 6 Phillipstown - 23.15km
- 7 Keurtjieskloof - 1km

5.3 Electricity

Two new mid-hinge 18m highmast lights have been constructed in Phillipstown. The total cost of this project is R150 000.00. This initiative has improved lighting in Phillipstown and also to reduce acts of crime.

As there is no electrical section in the municipality, private service providers are being utilized for electrical repairs. All service providers utilized are local.

A request has been made to Eskom for the electrification of the new 300 houses that were built in Petrusville and there is an allocation from DME for the municipality via Eskom.

Electrified houses : 99

Backlog from the 300 houses: 201

5.4 Community Facilities

Only general maintenance for community halls, parks, public toilet(in V/kloof) and cemeteries.

5.4.1 Sportfields

Sportfields in Petrusville and Phillipstown are in such a bad state due to vandalism by the community. Lotto has declined the application made by the municipality to upgrade the sports facilities in these two towns due to unaudited financial statements that were submitted at the time.

5.4.2 Refuse

All refuse sites are not in good condition and they are not licensed. The maintenance of these sites are a challenge due to shortage of resources. Development of new solid waste site and refurbishment of the existing site project is registered with MIG and a contractor has been appointed.

5.4.3 Housing

Business plans have been submitted to Department of Housing for the housing needs of 331 houses in Phillipstown, 50 in Keurtjieskloof. Phase 1(Town Planning) of the housing project is completed another 100 houses is a need in Petrusville.

5.4.4 Housing Backlog

This information is taken directly from the Comprehensive Infrastructure Plan of the Municipality which was compiled in 2008.

Housing Backlogs				
2001		2008	Planned	Remain
Ward1	41	331	331	-
2				
160		101	101	-
3	27	53	53	-
4	40	44	44	-
268		529	529	-

Please note:

Ward1 : Phillipstown

Ward 2: Thembinkosi, Greenpoint and Town

Ward 3: Uitsig, Plakkerskamp and Keurtjieskloof

Ward 4: Vanderkloof and farms

5.4.5 Municipal Infrastructure Grant

- **Programme history**

The South African Cabinet approved the establishment of the Municipal Infrastructure Grant (MIG) on 5th March 2003. MIG is new municipal infrastructure funding arrangement. It replaces all existing capital grants for municipal infrastructure and incorporates seven infrastructure programmes, namely:

- Consolidated Municipal Infrastructure Programme
- Water Services Projects
- Community Based Public Works Programme
- Local Economic Development Fund
- Building for Sports and Recreation Programme
- Integrated National Electrification Programme to Local Government and the Integrated Electrification Programme Implemented by Eskom
- Urban Transport Fund

- **Allocations and project**

The MIG allocation for 2008/2009 for the municipality was R3.5m and the expenditure was 0% because the municipality was still spending 2007/2008 allocation. Some of the expenditure was not reported on previous projects and the funding was spend on unregistered MIG project(R500 000). There has been also over-expenditure of R564 000 on the Vanderkloof/Petrusville clean water pipeline and this amount is not reported until budget maintenance is submitted and approved by RBPAC and DPLG.

- **Running projects**

Phillipstown : Upgrading of access roads (R4.2m)

- **Registered projects as per MIG MIS**

Construction of Petrusville Solid Waste	: R2.4m
Construction of Sport Complex	: R3.8m
Construction of clean water pipeline	:R12.1m

CHAPTER 6

FINANCIAL VIABILITY

The financial treasury department is responsible for the financial administration, financial control and financial reporting of the municipality as a whole.

6.1 Description of Activity

The services provided by the Finance/Treasury Department are as follows;

- Budgets and Costing
- Management Accounting
- Financial Reporting
- Procurement
- Revenue
- Credit Control and Debt Collection
- Creditors and Salaries
- Investments
- Internal Audit

All the above services are rendered in house by Financial/Treasury staff with the exception of Internal Audit which has been outsourced.

6.2 Analysis of the Function

Personnel Employees	Number
Financial/Treasury Total	25
Managerial	1
Accountant	1
Supervisory	3

Clerical	3
General	3
Intern	3
Vacant	11

6.3 Key Issues

- Low payment factor and educating customers with regard to the benefits of paying for services
- Lack of office space
- Staff shortages in key positions and capacitating of existing staff
- Implementation of the Property Rates Act, No. 6 of 2004
- Increase the revenue base
- Improve customer satisfaction

6.4 Financial Planning

6.4.1 Indigent Households

An account holder is defined as indigent if the total household income does not exceed R2000- 00 per month. The onus is on the applicant to come forward and register as indigent in line with the Council approved indigent policy. For the period under review, 1080 indigents were registered and received indigent support. However the process of registering the indigent is ongoing and all those with total household income of less than R2000-00 per month are encouraged to register for support

6.4.2 Total Indigent Account Vs Subsidy grant

	Indigent Billing		Indigent Subsidy	
	Number	Amount	Number	Amount R
July 08	1080	105149.34	847	75 236.06
Aug 08	1080	105149.34	847	75 236.06
Sept 08	1080	105149.34	847	75 236.06
Oct 08	1080	105149.34	847	75 236.06
Nov 08	1080	109067.65		
Dec 08	1080	113250.81	847	75 236.06
Jan 09	1080	120022.57	846	76 370.87
Feb 09	1080	119049.32	845	79 480.00
Mar 09	1080	115356.33	847	79 477.43
Apr 09	1080	119044.44	847	78 881.22
May 09	1080	137174.93	1694	157 690.06
June 09	1080	109488.73	835	77 953.50

Included in the 1080 list of indigent is the 300 new houses in Thembinkosi which didn't have a water meter neither the electricity.

6.4.3 Debt by age and type as at 30 June 2009

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	Over 1 Year	Total -
Debtors Age Analysis By Income Source							
Water Tariffs	2 915 606	121 695	152 971	614 876	71 502	0	3 876 650
Electricity Tariffs	1 275 048	14 744	161 030	103 852	76 029	0	1 630 703
Rates (Property Rates)	34 336	29 462	19 148	22 257	17 567	0	122 770
Sewerage / Sanitation Tariffs	66 021	50 558	41 740	35 087	37 316	0	230 722
Refuse Removal Tariffs	611 236	35 361	31 440	28 378	26 204	0	732 619
Housing (Rental Income)	29 574	2 650	2 311	1 623	0	0	36 158
RSC Levies	0	0	0	0	0	0	0
Other	1 490 327	59 960	16 268	14 532	14 047	0	1 595 134
Total By Income Source	6 422 148	314 430	424 908	820 605	242 665	0	8 224 756
Debtors Age Analysis By Customer Group							
Government	188 609	15 762	16 170	276 451	12 904	0	509 896
Business	585 859	46 850	79 996	27 027	23 420	0	763 152
Households	4 030 961	200 868	194 919	319 046	134 559	0	4 880 353
Other	1 616 719	50 950	133 823	198 081	71 782	0	2 071 355
<i>All the Municipal Buildings</i> Total By Customer Group	6 422 148	314 430	424 908	820 605	242 665	0	8 224 756

6.5 Writing off of irrecoverable debt.

The writing off of irrecoverable debt to the value of R3 337 000.18 was done during this financial year. This process enables management to identify trends in the causes of debt and the introduction of corrective measures. Two categories of bad debt were identified, namely

- debts on indigent accounts where account holders qualified for the indigent grant but the arrears were not written off,
- Inactive accounts and where there is no forwarding address and lastly sundry debts and insolvent debtors.

6.6 Valuation

The table below presents information on the valuation of the Renosterberg Municipality properties

Area	Date of last Valuation
Vanderkloof	1999/2000
Petrusville	1996
Phillipstown	1996

A new Rates policy was adopted by the Council On the 23 May 2009. A full valuation was conducted with the implementation from 1 July 2009.